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**FIVE INDIVIDUALS CHARGED WITH
MAKING FRAUDULENT CLAIMS FOR DISASTER ASSISTANCE
IN THE AFTERMATH OF HURRICANE KATRINA**

SACRAMENTO--United States Attorney McGregor W. Scott announced yesterday that three Marysville residents and two Sacramento residents have been charged with fraud offenses related to claims for disaster assistance arising out of Hurricane Katrina.

"It is unconscionable that there are those who would scheme to fraudulently obtain relief funds earmarked for victims of Hurricane Katrina," said United States Attorney McGregor W. Scott.

In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate, and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud, and insurance fraud. The Hurricane Katrina Fraud Task Force-chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division-includes the FBI, the U.S. Inspectors General community, the U.S. Secret Service, the U.S. Postal Inspection Service, the Executive Office for U.S. Attorneys, and others.

These cases were investigated by the Department of Homeland Security Office of Inspector General, U.S. Postal Inspection Service, the Social Security Administration Office of Inspector General, and the Department of Housing and Urban Development Office of Inspector General.

According to Assistant United States Attorney Michelle Rodriguez, who is prosecuting these cases, publicly-filed court records relating to the cases include the following facts:

- United States v. LARRY McDANIEL: On October 12, 2006, McDANIEL, 34, of Sacramento, was charged with three counts of making false claims to an agency of the United States, the Federal Emergency Management Agency (FEMA), and three counts of mail fraud in connection with the alleged false claims. McDANIEL is alleged to have stolen \$12,251.01 of funds allocated for disaster relief victims. McDANIEL was arrested this morning by the U.S. Marshal Service.
- United States v. JERRY DAVIS: DAVIS, 34, of Sacramento, was charged yesterday with two counts of making false claims to FEMA, and one count of mail fraud in connection with the alleged false claims. In addition, DAVIS is charged with defrauding the Department of Housing and Urban Development by applying to obtain conventional public housing benefits by falsely stating to

housing officials that he had been displaced by Hurricane Katrina. DAVIS is alleged to have stolen \$12,340.76 in funds allocated for disaster relief victims.

- United States v. CRYSTAL J. HOUSLEY, JOHN P. HOUSLEY, and SHAWN R. CUDABACK: Also today, CRYSTAL J. HOUSLEY, 27, JOHN P. HOUSLEY, 49, and SHAWN R. CUDABACK, 26, of Marysville, were charged with conspiring to defraud the United States government. Each defendant is additionally charged with one count of making false claims to FEMA, and with one count of mail fraud, also in connection with the alleged false claims. In addition, CRYSTAL J. HOUSLEY is charged with making a false statement to Special Agents of the Department of Homeland Security Office of Inspector General. The defendants are alleged to have stolen \$6,000 in funds allocated for disaster relief victims.

For the conspiracy offenses, each defendant faces 5 years of imprisonment; for the false claim offenses each defendant faces an additional 5 years imprisonment; for the mail fraud offenses each defendant faces an additional 20 years imprisonment; and for the false statement offenses each defendant faces an additional 5 years imprisonment. However, the actual sentence will be dictated by the Federal Sentencing Guidelines and other factors, and will be imposed at the discretion of the court. Each defendant, upon conviction, also is subject to a \$250,000 fine per count and a 3-year term of supervision.

The United States Attorney's Office noted that the charges are only accusations, and that each defendant is presumed innocent until and unless proven guilty beyond a reasonable doubt.

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